

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CIT FINANCIAL USA, INC.

Plaintiff,

v.

RALPH E. ZAZULA, individually

Defendant.

DOCKETED

APR 19 2002

Case No.

02C 2809

JUDGE PALLMEYER

MAGISTRATE JUDGE
GERALDINE SOAT BROWN

FILED-ED4
02 APR 18 PM 2:43
U.S. DISTRICT COURT

COMPLAINT

NOW COMES CIT FINANCIAL USA, INC. (hereinafter "CIT "), by and through its attorneys, Askounis & Borst, P.C., and for its Complaint against RALPH E. ZAZULA, individually (hereinafter "ZAZULA"), states as follows:

PARTIES

1. CIT is a Delaware corporation with its principal place of business in the State of Arizona and is fully authorized to do business in the State of Illinois.
2. Defendant, ZAZULA currently resides in the State of Washington with an address of 2508 111th Ave., Bellevue, WA 98004-7300.

JURISDICTION AND VENUE

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1532(a). The amount in controversy exceeds \$75,000.00 exclusive of interest and costs, and the parties are citizens of different states.
5. Venue is appropriate in this Court pursuant to 28 U.S.C. §1391 because a substantial part of the events or admissions giving rise to the claim occurred in this district, and because

ZAZULA has consented to personal jurisdiction pursuant to the terms of the Equipment Lease Agreement attached hereto.

FACTS

6. On August 27, 2000, CIT entered into Equipment Lease Agreement No. 0015398-001 (hereinafter the "Lease") with Running Start, Inc. (hereinafter "Running Start") pursuant to which Running Start leased and agreed to pay for various equipment, as more particularly described in said Lease (hereinafter the "Equipment"). A true copy of the Lease is attached hereto as Exhibit 1 and incorporated herein by reference for all purposes. Running Start is a non-party to this litigation, and has filed for protection under the United States Bankruptcy Code.

7. Pursuant to Lease Agreement No. 0015398-001, Running Start agreed to pay to CIT gross rentals of \$136,505.52, payable in thirty-six consecutive monthly installments each in the amount of \$3,791.82.

8. Running Start defaulted under the terms of the Lease by failing and refusing to pay to CIT the monthly installment payment due October 27, 2000, and all subsequent payments, totaling twenty-two (22) remaining and unpaid payments at \$3,791.82 each, together with applicable tax payments and late charges, for an unpaid gross balance of \$124,458.89. Pursuant to the terms of the Lease, CIT declared the unpaid gross balance to be due and payable.

9. In order to induce CIT to enter into the Lease with Running Start, ZAZULA unconditionally guaranteed all obligations of Running Start to CIT (hereinafter the "Guaranty"). A true and correct copy of the Guaranty is set forth on the face of Exhibit 1.

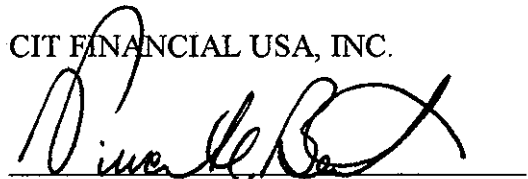
10. ZAZULA is therefore obligated to CIT for the total amount of \$124,458.89, plus attorneys' fees and costs of suit, together with interest thereon.

WHEREFORE, CIT respectfully requests that judgement be entered against ZAZULA in favor of CIT as follows:

- a) Awarding CIT damages in the sum of \$124,458.89, together with interest thereon from the date of default at the highest rate provided for by law;
- b) Awarding CIT its attorneys' fees and costs; and
- d) Awarding CIT such other and further relief as this Court deems just.

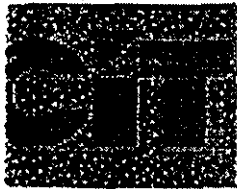
CIT FINANCIAL USA, INC.

By:


One of Its Attorneys

Vincent T. Borst, Esq.
Askounis & Borst, P.C.
303 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
312/861-7100
312/861-0245 (facsimile)
Attorney for Plaintiff
Attorney No. 29833

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**LEASE AGREEMENT**

TO OUR VALUED CUSTOMER: This Lease has been written in "Plain English". When we use the words **you** and **your** in this Lease, we mean **you**, our customer, which is the Lessee indicated below. When we use the words **we**, **us**, and **our** in the Lease, we mean CIT Financial USA Inc. and its successors and assigns

CUSTOMER INFORMATION

Lessee Name
Running Start, Inc.

Lease #
15398-001

Billing Street Address/City/County/State/Zip
5515 East Grant Road, Ste. 209, Tucson, AZ 85712

Tax ID#
86-0899639

Equipment Location (if different from above)

Lessee Phone #
520-296-3770

Lessee Fax #
413-674-2119

SUPPLIER INFORMATION

Supplier Name
Dell Computers

Street Address/City/County/State/Zip

Supplier Phone #

EQUIPMENT DESCRIPTION

Quantity

Make/Model

Serial Number

Various Computer Equipment more fully described on Schedule "A".

TERM AND LEASE PAYMENT SCHEDULE

Lease Term
36 months

Additional Provisions

\$1 Purchase Option

\$3,791.82

You agree to pay at the time you sign this Lease:

A) Total Advance Lease Payment: 2 (Mos.) = \$7,543.80

B) Sales/use Tax on Advance Lease Payment = \$ 528.07

C) One-time Documentation Fee = \$ 300.00

D) Total of A + B + C = \$8,371.87

* PLUS

APPLICABLE

TAXES

INSURANCE TAXES

You are required to provide and maintain insurance related to the Equipment, and to pay any property, use and other taxes related to this Lease or the Equipment. (See Sections 4 and 6 on the back of this Lease.) If you are tax-exempt, you agree to furnish us with satisfactory evidence of your exemption.

TERMS AND CONDITIONS

BY SIGNING THIS LEASE: (i) YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS ON THE FRONT AND BACK OF THIS LEASE, (ii) YOU AGREE THAT THIS LEASE IS A NET LEASE THAT YOU CANNOT TERMINATE OR CANCEL, YOU HAVE AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO MAKE ALL PAYMENTS DUE UNDER THIS LEASE, AND YOUR OBLIGATION TO MAKE SUCH PAYMENTS IS NOT SUBJECT TO, AND YOU HEREBY WAIVE ANY ABATEMENT, SET OFF, DEFENSE, COUNTERCLAIM OR REDUCTION FOR ANY REASON, (iii) YOU WILL USE THE EQUIPMENT ONLY FOR BUSINESS PURPOSES, (iv) YOU WARRANT THAT THE PERSON SIGNING THIS LEASE FOR YOU HAS THE AUTHORITY TO DO SO AND TO GRANT THE POWER OF ATTORNEY SET FORTH IN THIS LEASE, (v) YOU CONFIRM THAT YOU DECIDED TO ENTER INTO THIS LEASE RATHER THAN PURCHASE THE EQUIPMENT FOR THE TOTAL CASH PRICE, AND (vi) YOU AGREE THAT THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS AND YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN SUCH STATE. YOU AND WE EXPRESSLY WAIVE ANY RIGHTS TO A TRIAL BY JURY. YOU IRREVOCABLY AUTHORIZE US TO EXECUTE AND FILE ANY UCC FINANCING STATEMENT IN YOUR NAME WHICH RELATES TO THE EQUIPMENT OR THIS LEASE. YOU AGREE THAT THIS LEASE IS NOT FINISHED UNTIL SIGNED BY LESSOR.

ACCEPTED BY LESSOR IN CHICAGO, ILLINOIS

CIT FINANCIAL USA INC.

X

Authorized Signature

Print Name & Title

Date

RUNNING START, INC.
Lessee

X [Signature]
Authorized Signature

X President
Print Name & Title

7/24/00
Date

PERSONAL GUARANTY

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words **you** and **your** in this Personal Guaranty, we mean the **PERSONAL GUARANTOR(s)** indicated below. When we use the words **we**, **us** and **our** in this Personal Guaranty, we mean CIT Financial USA Inc. and its successors and assigns. In consideration of our entering into the lease agreement identified above ("Lease"), you unconditionally and irrevocably guarantee to us, our successors and assigns the prompt payment and performance of all obligations and of the Customer identified above ("Lessee") under the Lease. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Lessee or against the equipment covered by the Lease. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the Lease and you will be bound by such changes. If the Lessee defaults under the Lease you will immediately perform all obligations of the Lessee under the Lease including, but not limited to, paying all amounts due under the Lease. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Lessee. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Lessee in the event you must pay us. If more than one personal guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary. THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE GOVERNING THE LEASE AS PROVIDED ABOVE. YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN SUCH STATE. YOU EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY.

X [Signature]
Personal Guarantor (no title)

DATE

Printed Name

X David Koski
Home Street Address/City/State/Zip

X 11342 E Holston Dr Tucson AZ 85749

X 383 82 0290
Social Security Number & Phone No.

520 760 4812

X [Signature]
Personal Guarantor (no title)

Printed Name

X Ralph Zarzula
Home Street Address/City/State/Zip

X 350-72-8463
Social Security Number & Phone No.

520/886-6985

EXHIBIT

tabbles

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1. LEASE; DELIVERY AND ACCEPTANCE. You agree to lease the equipment described on the front of this lease agreement (collectively "Equipment") on the terms and conditions shown on the front and back of this lease ("Lease"). If you have entered into any purchase or supply contract ("Supply Contract") with any Supplier, you agree to use your rights under such Supply Contract, but none of your obligations (other than the obligation to pay for the Equipment if it is leased by you as stated below and you timely deliver to us such documents and assurances as we request). If you have not entered into a Supply Contract, you authorize us to enter into a Supply Contract on your behalf. You will arrange for the delivery of the Equipment to you. Upon you receive the Equipment, you agree to inspect it to determine if it is in good working order. This Lease will begin on the date when the Equipment is delivered to you and the Equipment will be deemed irrevocably accepted by you upon the earlier of a) the delivery to us of a signed Delivery and Acceptance Certificate (if requested by us); or b) 10 days after delivery of the Equipment to you if previously you have not given written notice to us of your non-acceptance. The first Lease Payment is due with the application and second lease payment 30 days after delivery. The remaining Lease Payments will be due on the day of each subsequent month (or such other time period specified on the front of this Lease) designated by us. You will make all payments required under this Lease to us at such address as we may specify in writing. You authorize us to adjust the Lease Payment by not more than 15% if the actual Total Cash Price (which is all amounts we have paid in connection with the purchase, delivery and installation of the Equipment, including any trade-up and buyout amounts) differs from the estimated Total Cash Price. If any Lease Payment or other amount payable to us is not paid within 10 days of its due date, you will pay us a late charge not to exceed 5% of each late payment (or such lesser rate as is the maximum rate allowable under applicable law).

2. NO WARRANTIES. We are leasing the Equipment to you "AS-IS". YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE THE EQUIPMENT, WE DO NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND YOU HAVE SELECTED THE EQUIPMENT AND SUPPLIER BASED UPON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. YOU AGREE THAT REGARDLESS OF CAUSE, WE ARE NOT RESPONSIBLE FOR AND YOU WILL NOT MAKE ANY CLAIM AGAINST US FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. YOU AGREE THAT NEITHER SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF SUPPLIER IS OUR AGENT OR HAS ANY AUTHORITY TO SPEAK FOR US OR TO BIND US IN ANY WAY. We transfer to you for the term of this Lease any warranties made by the manufacturer or Supplier under a Supply Contract.

3. EQUIPMENT LOCATION; USE AND REPAIR; RETURN. You will keep and use the Equipment only at the Equipment Location shown on the front of this Lease. You may not move the Equipment without our prior written consent. At our request, you will sign or obtain and send us any financing statements, waivers or financial information that we ask for and you will pay all costs involved. You grant us a first priority security interest in your rights in the Equipment to secure your Lease obligations. At your own cost and expense, you will keep the Equipment eligible for any manufacturer's certification, in compliance with all applicable laws and in good condition, except for ordinary wear and tear. You will not make any alterations additions or replacements to the Equipment without our prior written consent. All alterations, additions and replacements will become part of the Equipment and our property at no cost or expense to us. We may inspect the Equipment at any reasonable time. Unless you purchase the Equipment in accordance with this Lease, within 10 days of the expiration or earlier termination of this Lease you will deliver the Equipment to us in good condition and repair, except for ordinary wear and tear, to any place in the United States that we tell you, and upon our request, you will provide us with a certification from the manufacturer or its authorized representative as to the Equipment's condition. You will pay all expenses of deinstalling, crating and shipping, and you will insure the Equipment for its full replacement value during shipping.

4. TAXES AND FEES. You will pay when due all taxes, fines and penalties relating to this Lease or the Equipment that are now or in the future assessed or levied by any state, local or other government authority. You will file all personal property, use or other tax returns. Any of your obligations to pay taxes under this Section shall survive termination of this lease.

5. LOSS OR DAMAGE. As between you and us, you are responsible for any loss, theft or destruction of, or damage to, the Equipment (collectively "Loss") from any cause at all, whether or not insured, until it is delivered to us at the end of this Lease. You are required to make all Lease Payments even if there is a Loss. You must notify us in writing immediately of any Loss. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us the amounts specified in Section 9(b) below.

6. INSURANCE. You will provide and maintain at your expense (a) property insurance against the loss, theft or destruction of, or damage to the Equipment for its full replacement value, naming us as loss payee, and (b) public liability and third party property insurance, naming us as an additional insured. You will give us certificates or other evidence of such insurance when requested. Such insurance will be in a form, amount and with companies acceptable to us, and will provide that we will be given 30 days advance notice of any cancellation or material change of such insurance. You hereby irrevocably appoint us as your attorney-in-fact to make claim for, receive payments of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any insurance policy. If you do not give us evidence of insurance acceptable to us, we have the right, but not the obligation, to obtain insurance covering our interest in the Equipment for the term of this Lease, including any renewal or extensions, from an insurer of our choice, including an insurer that is our affiliate. We may add the costs of acquiring and maintaining such insurance and our fees for our services in placing and maintaining such insurance (collectively, "Insurance Charge") to the amounts due from you under this Lease. You will pay the Insurance Charge in equal installments allocated to the remaining Lease Payments. If we purchase insurance, you will cooperate with our insurance agent with respect to the placement of insurance and the processing of claims. Nothing in this Lease will create an insurance relationship of any type between us and any other person. You acknowledge that we are not required to secure or maintain any insurance, and we will not be liable to you if terminate any insurance coverage that we arrange. If we replace or renew any insurance coverage, we are not obligated to provide replacement or renewal coverage under the same terms, costs, limits, or conditions as the previous coverage.

7. TITLE; RECORDING. You will keep the Equipment free of all liens and encumbrances. You grant us a purchase money security interest in the Equipment (including any replacements, substitutions, additions, attachments and proceeds). You will deliver to us signed financing statements or other documents we request to protect our interest in the Equipment. YOU AUTHORIZE US TO FILE A COPY OF THIS LEASE AS A FINANCING STATEMENT AND APPOINT US OR OUR DESIGNEE AS YOUR ATTORNEY-IN-FACT TO EXECUTE AND FILE, ON YOUR BEHALF, FINANCING STATEMENTS COVERING THE EQUIPMENT.

8. DEFAULT. Each of the following is a "Default" under this Lease: (a) you fail to pay any Lease Payment or any other payment within 10 days of its due date, (b) you breach or fail to perform any representations, warranties or agreements under this Lease or in any other agreement with us or with any of our affiliates and this failure continues for 10 days after we have notified you of it, (c) a proceeding under any bankruptcy, reorganization, insolvency or receivership law or assignment for benefit of creditors is filed by or against you; (d) if you become insolvent or fail generally to pay your debts as they become due, or cease to do business as a going concern or the Equipment is levied against, seized, or a bulk sale of your inventory or assets is about to or has occurred; (e) if you die or are judicially declared incompetent or voluntarily or involuntarily dissolve or are dissolved; (f) if your financial condition changes such that in our opinion, the credit risk of a lease transaction with you is increased; (g) any guarantor of this Lease dies, does not perform its obligations under the guaranty, or becomes subject to one of the events listed in clause (c) or (d) above.

9. REMEDIES. If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate this Lease or any or all other agreements that we have entered into with you; (b) we may require you to immediately pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to (i) the present value of all unpaid Lease Payments for the remainder of the term plus the present value of our anticipated residual interest in the Equipment, each discounted at 5% per year, compounded monthly, plus (ii) all other amounts due or that become due under this Lease; (c) we may require you to deliver the Equipment to us as set forth in Paragraph 3; (d) we or our agent may peacefully repossess the Equipment without court order and you will not make any claims against us for damages or trespass or any other reason; and (e) we may exercise any other right or remedy available at law or in equity. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorneys' fees. If we take possession of the Equipment, we may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after we have deducted all costs related to the sale or disposition of the Equipment) to the amounts that you owe us. You agree that if notice of sale is required by law to be given, 10 days' notice shall constitute reasonable notice. You will remain responsible for any amounts that are due after we have applied such net proceeds. Our rights are cumulative and non-exclusive.

10. FINANCE LEASE STATUS. You agree that this Lease will be deemed a "finance lease" as that term is used in Article 2A whether or not the terms hereof would otherwise be subject thereto. By signing this Lease, you agree that either (a) you have reviewed, approved, and received, a copy of the Supply Contract or (b) that we have informed you of the identity of the Supplier, that you may have rights under the Supply Contract, and that you may contact the Supplier for a description of those rights.

11. ASSIGNMENT. YOU MAY NOT ASSIGN, SELL, TRANSFER OR SUBLEASE THE EQUIPMENT OR YOUR INTEREST IN THIS LEASE. We may, without notifying you, sell, assign, or transfer this Lease or our rights in the Equipment. You agree that the new owner will have the same rights and benefits that we have now under this Lease but not our obligations. THE RIGHTS OF THE NEW OWNER ARE ABSOLUTE AND UNCONDITIONAL AND WILL NOT BE SUBJECT TO ANY ABATEMENT, CLAIM, COUNTERCLAIM, DEFENSE OR SET-OFF THAT YOU MAY HAVE AGAINST US.

12. PURCHASE OPTION. If no Default exists under this Lease, you may, at the end of the original term, purchase the Equipment for \$1.00, plus any applicable taxes. Upon payment, we shall transfer our interest in the Equipment to you "AS IS, WHERE IS" without any representation or warranty whatsoever and this Lease will terminate.

13. INDEMNIFICATION. You are responsible for any losses, damages, taxes, penalties, interest, claims, suits, actions and any attorneys' fees (collectively "Claims"), whether based on a theory of strict liability or otherwise caused by or related to (a) the manufacture, installation, ownership, use, lease, possession, or delivery of the Equipment or (b) any defects in the Equipment. You agree to reimburse us for and if we request, to defend us against, any Claims.

14. MISCELLANEOUS. You agree that the terms and conditions contained in this Lease make up the entire agreement between you and us regarding the lease of the Equipment. This Lease is not binding on us until we sign it. Any change in any of the terms and conditions of this Lease must be in writing and signed by us. You agree, however, that we are authorized, without notice to you, to supply missing information or correct obvious errors in this Lease. If we delay or fail to enforce any of our rights under this Lease, we will still be entitled to enforce those rights at a later time. All notices shall be given in writing by the party sending the notice and shall be effective when deposited in the US Mail, addressed to the party receiving the notice at its address shown on the front of this Lease (or to any other address specified by that party in writing) with postage prepaid. This Lease is for the benefit of and is binding upon you and your personal representatives, successors and assigns. If a court finds any provision of this Lease to be unenforceable, the remaining terms of this Lease remain in effect. All of our rights and indemnities will survive the termination of this Lease. It is the express intent of the parties not to violate any applicable usury laws or to exceed the maximum amount of time price differential or interest and other charges, as applicable, permitted to be charged or collected by applicable law, and any such excess payment will be applied to Lease Payments in inverse order of maturity, and any remaining excess will be refunded to you. If you do not perform any of your obligations under this Lease, we have the right, but not the obligation, to take any action or pay any amounts that we believe are necessary to protect our interests. You agree to reimburse us immediately upon our demand for any such amounts that we pay. If more than one Lessee has signed this Lease, each of you agree that your liability is joint and several.

**ADDENDUM NO. 002 TO
LEASE AGREEMENT NO. 15398
DATED AS OF JULY 27, 2000
BETWEEN
CIT FINANCIAL USA, INC.
AND
RUNNING START, INC., AS LESSEE**

This Addendum is attached to and forms part of that certain Lease Agreement No.15398 ("Lease") dated as of July 27, 2000 between CIT FINANCIAL USA, INC. ("Lessor") and Running Start, Inc. ("Lessee") agreeing as follows:

- A. Terms defined in the Lease shall have the same meanings herein unless otherwise expressly set forth herein or otherwise required by the context hereof.
- B. The following shall be added to the terms of the Lease and are hereby incorporated therein by reference.

Change in the Lease:

- (a) The Lessee's Equipment Location, as shown on the face of the lease document, is 5515 East Grant Road, Ste. 209, Tucson, AZ, 85712 and is hereby replaced with the following:

Equipment Locations are—5515 East Grant Road, Ste. 209, Tucson, AZ 85712 and 6245 E. Broadway, Tucson, AZ

- (b) Except as expressly provided herein above, the Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on this 24 day of August, 2000.

RUNNING START, INC.
(Lessee)

By: _____ X

Title: President + CEO X

CIT FINANCIAL USA INC.
(Lessor)

By: _____

Title: _____

SCHEDULE A

TO LEASE NO. 15398

EQUIPMENT SCHEDULE 001

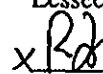
Page 1 of 4

<u>Quantity</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Equipment Description and Manufacturer</u>	<u>Cost</u>
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GROUP: 1	QUANTITY: 2	
Base Unit:	Latitude, Small Business Solution, CPT3500GT, 14.1, TFT, US (460-3084)	
Operating System:	Internet Explorer 4.01, 8P2, US English, No Kit, Original Equipment Manufacturer, Factory Install (412-5326)	
Operating System:	NT4, Service Pack 5, CD, English For Dell Latitude CPT/CPxJ Notebooks, Factory Install (420-5542)	
Mouse:	Logitech Midnight Grey, PS2, 2 Button Mouse with Wheel for Dell C-Series, Latitude Notebooks, Factory Install (310-5124)	
Modem:	Xircom Realport, Lan/Modem, Type III, Combo for Dell Latitude C-Series, Notebooks, Tied (313-7200)	
CD-ROM or DVD-ROM Drive:	24X CD-ROM, Internal/External, For Dell Latitude CP-Series, Notebooks, Factory Install (313-0249)	
Option 1:	LI-ION Spare Battery For Dell Latitude CP-Series Notebooks, Factory Install (312-0008)	
Service:	Next Business Day On-Site and CompleteCare Service, Initial Year (800-1640)	
Service:	Next Business Day On-Site and CompleteCare Service, 2 Year Extended (800-8142)	
Memory:	128MB, 1 DIMM, SDRAM for Dell Latitude CS/CPV/CPx/LS Notebooks, Factory Install (311-1724)	
Misc:	Windows NT, NTFS File System Factory Install (420-0153)	
Misc:	Nylon Carrying Case, Universal, For Dell Latitude CP-Series Notebooks, Packaged With System (310-8504)	
Misc:	MS Office 8BE 2000, CD with documentation, US English, OEM Package, Factory Install (412-1302)	
Misc:	MS Office Internet Explorer 5.0 For Office 2K Apps Only, US, English, Factory Install (412-7365)	
Misc:	DellPlus, Information, Print, Label, Medium, Factory Install (360-4454)	
Misc:	DellPlus, Asset Tag Configuration, Factory Install (361-5989)	
Misc:	DellPlus Routing SKU, Factory Install (365-0267)	
Misc:	DellPlus, Integration Service, OR-System Label, Latitude (365-2301)	
Hard Drive:	8GB Hard Drive, 9.5MM, For Dell Latitude CPU/CPV/CPx Notebooks, Factory Install (340-7926)	

Equipment Location:
5515 E. Grant Road, Ste. 209
Tucson, AZ 85712

Lessee:

x 
Initials

Lessor:

Initials

SCHEDULE A

TO LEASE NO. 15398

EQUIPMENT SCHEDULE 001

Page 2 of 4

<u>Quantity</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Equipment Description and Manufacturer</u>	<u>Cost</u>
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GROUP: 1	QUANTITY: 19
Base Unit:	Dell Dimension XPS T800rMHz Pentium III MiniTower Base w/MMX Technology & 256K Cache (220-8080)
Floppy Disk Drive:	3.5", Floppy Drive, Factory Install (340-2408)
Operating System:	Internet Explorer 5.0, CD with Documentation, US, English, OEM, Factory Install (412-3246)
Operating System:	Microsoft Windows NT 4.0, SP5 Factory Install (420-1601)
Mouse:	Dell Mouse Pad, included in your order. Thank you for choosing Dell. (310-3180)
Mouse:	Logitech MouseMan Wheel (PS/2v) (310-9577)
NIC:	No Network Card Requested, Dell Dimension (430-0591)
Modem:	No modem requested for Dell Dimension (313-3607)
CD-ROM or DVD-ROM Drive:	48x Max Variable CD ROM, Factory Install (313-3922)
Sound Card:	Turtle Beach Montego II A3D 320V Sound Card, Factory Install (313-0800)
Speakers:	harman/kardon HK Speakers Factory Install (313-3925)
Additional Storage Products:	No Zip Drive Requested (460-8320)
Factory Installed Software:	Norton Antivirus 2000, version 5.0 with CD & Documentation, English, Factory Install (412-5620)
Service:	Type 3 Contract - Next Business Day Parts & Labor On-Site Response Initial Year (900-1500)
Service:	Type 3 Contract - Next Business Day Parts & Labor On-Site Response 2YR Extended (900-1502)
Memory:	256MB, SDRAM Memory, 1 DIMM, Factory Install (311-0786)
Keyboard:	QuietKey Keyboard Factory Install (310-7002)
Misc:	MS Office Pro 2000, CD with DOCUS English, OEM Package, Factory Install (412-4646)
Misc:	MS Office Internet Explorer 5.0 For Office 2K Apps Only, US, English, Factory Install (412-7365)
Monitor:	19" (17.8" viewable), .24-.25AG JP981, Factory Install (320-2067)
Video Card:	32MB NVIDIA TNT2 M64 Graphics, Factory Install (320-3130)
Hard Drive:	10 GB Ultra ATA Hard Drive, 7200RPM, Factory Install (340-2811)

Equipment Location:
515 E. Grant Road, Ste. 209
Tucson, AZ 85712

Lessee:


 Initials

Lessor:

 Initials

SCHEDULE A

TO LEASE NO. 15398

EQUIPMENT SCHEDULE 001Page 3 of 4

<u>Quantity</u>	<u>Model Number</u>	<u>Serial Number</u>	<u>Equipment Description and Manufacturer</u>	<u>Cost</u>
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GROUP: 1	QUANTITY: 20	
Base Unit:	Dell Dimension XPS T800rMHz Pentium III MiniTower Base w/MMX Technology & 256K Cache (220-8080)	
Floppy Disk Drive:	3.5",Floppy Drive,Factory Install (340-2409)	
Operating System:	Internet Explorer 5.0,CD with Documentation,US,English,OEM, Factory Install (412-3246)	
Operating System:	Microsoft Windows NT 4.0,SP5 Factory Install (420-1601)	
Mouse:	Dell Mouse Pad, Included In your order. Thank you for choosing Dell. (310-3180)	
Mouse:	Logitech MouseMan Wheel (P8/2v) (310-0677)	
NIC:	No Network Card Requested, Dell Dimension (430-0591)	
Modem:	No modem requested for Dell Dimension (313-3607)	
CD-ROM or DVD-ROM Drive:	48x Max Variable CD ROM, Factory Install (313-3922)	
Sound Card:	Turtle Beach Montego II A3D 320V Sound Card,Factory Install (313-0600)	
Speakers:	harman/kardon HK Speakers Factory Install (313-3925)	
Additional Storage Products:	No Zip Drive Requested (480-8320)	
Factory Installed Software:	Norton Antivirus 2000, version 5.0 with CD & Documentation, English,Factory Install (412-5620)	
Service:	Type 3 Contract - Next Business Day Parts & Labor On-Site Response Initial Year (900-1500)	
Service:	Type 3 Contract - Next Business Day Parts & Labor On-Site Response 2YR Extended (900-1502)	
Memory:	256MB,SDRAM Memory,1 DIMM, Factory Install (311-0786)	
Keyboard:	QuietKey Keyboard Factory Install (310-7002)	
Misc:	MS Office Pro 2000,CD with DOCUS English,OEM Package,FactoryInstall (412-4846)	
Misc:	MS Office Internet Explorer 5.0 For Office 2K Apps Only, US,English,Factory Install (412-7365)	
Monitor:	19"(17.9" viewable, .24-.25AG)P981,Factory Install (320-2087)	
Video Card:	32MB NVIDIA TNT2 M64 Graphics,Factory Install (320-3130)	
Hard Drive:	10 GB Ultra ATA Hard Drive, 7200RPM,Factory Install (340-2611)	

Equipment Location:
5515 E. Grant Road, Ste. 209
Tucson, AZ 85712

Lessee:

XL
Initials

Lessor:

Initials

SCHEDULE A

TO LEASE NO. 15398

EQUIPMENT SCHEDULE 001Page 4 of 4

Quantity	Model Number	Serial Number	Equipment Description and Manufacturer	Cost
SOFTWARE & ACCESSORIES				
	Product		Quantity	Unit Price Total
	128MB SDRAM Memory Module for a Dell Dimension XPS T500 MT16LSDT1664AG10EB4 (661552-1)		41	

GROUP: 1	QUANTITY: 1	
Base Unit:	667MHz(133Front Side Bus),PIIIWorkStations 220,Minitower, 256K FullSpeedCache,Integrated3Com,Fast XL,10/100Mb/s (220-6388)	
Floppy Disk Drive:	3.5",1.44MB,Floppy Drive, Precision Workstations, Factory Install (340-8121)	
Operating System:	NT4 Service Pack 5,WorkstationEnglish,Factory Install (420-0390)	
Mouse:	LOGITECH 3-Button System Mouse for Dell Precision (310-0154)	
CD-ROM or DVD-ROM Drive:	20/48X,IDE,CXD-ROM,NT and Windows,Precision WorkStation Factory Install (313-4976)	
Sound Card:	Sound Baster Live! 512V,Sound Card,Precision WorkStations, Factory Install (313-7355)	
Speakers:	harman kardon,Speakers,for Precision WorkStation,Factory Install (313-7220)	
Processor:	Dell Workstation,No Second Processor,CPU Terminator, Factory Install (311-8754)	
Service:	Type 3 Contract - Next Business Day Parts & Labor On-Site Response Initial Year (900-3140)	
Service:	Type 3 Contract - Next Business Day Parts & Labor On-Site Response 2YR Extended (900-3142)	
Installation:	Standard On-Site Installation Declined (900-8988)	
Keyboard:	104,6Pin,Performance Keyboard WorkStations,Factory Install (310-6522)	
Misc:	Mouse Pad (310-0007)	
Misc:	RIMM,256MB,PC700,350MHz,2X128,Rambus Memory,Precision WorkStations220,Factory Install (311-3502)	
Monitor:	Dell UltraScan,P991,19" Monitor with 17.96" Viewable Image Size,Precision WorkStations,Factory Install (320-3199)	
Video Card:	32MB,Diamond Viper V770D, NVIDIA TNT2,Video Card, Precision WorkStation 220, Factory Install (320-3191)	
Hard Drive:	10G Hard Drive,IDE(ATA-66/100)#1,1",7.2 RPM,Precision WorkStation X20, Factory Install (340-3268)	

Equipment Location:
515 E. Grant Road, Ste. 209
Tucson, AZ 85712

Lessee:


Initials

Lessor:

Initials

MARCH 12, 1997

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**Civil Cover Sheet****020****2809****JUDGE PALLMEYER**

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is authorized for use only in the Northern District of Illinois.

Plaintiff(s): CIT FINANCIAL USA, INC.

County of Residence:

Plaintiff's Atty: Vincent T. Borst, Esq.
Askounis & Borst, P.C.,
Attorneys at Law
303 East Wacker Dr., Suite
1000, Chicago, IL 60601
312/861-7100

Defendant(s): RALPH E. ZAZULA, individually

County of Residence: King County, Washington

Defendant's Atty:

DOCKETED

APR 19 2002

MAGISTRATE JUDGE
GERALDINE SOAT BROWNII. Basis of Jurisdiction:**4. Diversity (complete item III)**III. Citizenship of PrincipalParties (Diversity Cases Only)

Plaintiff: - 1 Citizen of This State

Defendant: - 2 Citizen of Another State

IV. Origin :**1. Original Proceeding**V. Nature of Suit:**190 Other Contract**VI. Cause of Action:**Breach of Contract 28 U.S.C. subsection 1332(a)(1)**VII. Requested in Complaint

Class Action: No

Dollar Demand: **124,458.89**

Jury Demand: No

VIII. This case IS NOT a refiling of a previously dismissed case.Signature: *Vincent T. Borst*Date: *April 16, 2002*

NOTE: When the print dialogue box appears, be sure to uncheck the Annotations option.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

In the Matter of

Eastern Division

Double click on question mark for appearance form instructions

CIT FINANCIAL USA, INC.

DOCKETED

V.

APR 19 2002

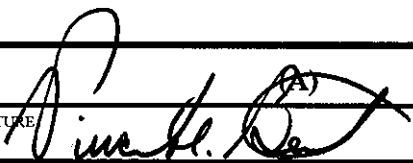
Case Number 02-2809

RALPH E. ZAZULA, individually

APPEARANCES ARE HEREBY FILED BY THE UNDERSIGNED AS ATTORNEY(S) FOR: JUDGE PALLMEYER

Plaintiff

MAGISTRATE JUDGE
GERALDINE SOAT BROWN

		(B)	
SIGNATURE		SIGNATURE	
NAME Vincent T. Borst, Esq.		NAME	
FIRM Askounis & Borst, P.C., Attorneys at Law		FIRM	
STREET ADDRESS 303 East Wacker Drive, Suite 1000		STREET ADDRESS	
CITY/STATE/ZIP Chicago, IL 60601		CITY/STATE/ZIP	
TELEPHONE NUMBER (312) 861-7100		TELEPHONE NUMBER	
IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE) 6192904		IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)	
MEMBER OF TRIAL BAR? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input type="checkbox"/>	
TRIAL ATTORNEY? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>	
		DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>	
(C)		(D)	
SIGNATURE		SIGNATURE	
NAME		NAME	
FIRM		FIRM	
STREET ADDRESS		STREET ADDRESS	
CITY/STATE/ZIP		CITY/STATE/ZIP	
TELEPHONE NUMBER		TELEPHONE NUMBER	
IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)		IDENTIFICATION NUMBER (SEE ITEM 4 ON REVERSE)	
MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input type="checkbox"/>		MEMBER OF TRIAL BAR? YES <input type="checkbox"/> NO <input type="checkbox"/>	
TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>		TRIAL ATTORNEY? YES <input type="checkbox"/> NO <input type="checkbox"/>	
DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>		DESIGNATED AS LOCAL COUNSEL? YES <input type="checkbox"/> NO <input type="checkbox"/>	